

MANAGEMENT TRAINING AND DEVELOPMENT PRACTICES
IN MEDIUM- AND LARGE-SIZED ORGANIZATIONS
IN HONG KONG

by

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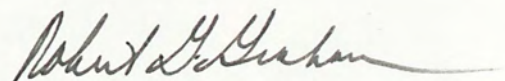
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ABSTRACT

To prepare and enable managers to perform in the rapidly changing and increasingly complex environment, much attention and effort are placed by organizations on management training and development (MTD) in the developed countries. In Hong Kong, however, most companies take a more short-term view in human resources development than those in the western world. In this paper, the MTD practices in the local large and medium-sized organizations are studied and analysed in the light of determining areas in which MTD practitioners are effective and identifying those that they should and could improve.

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CHAPTER I

INTRODUCTION

Owing to the increasingly rapid rate of change and the complexity of the internal as well as external environments of any organization, the job of a manager is much more demanding and challenging than that fifteen years ago. Not only is a manager required to respond to changes in the environment, he or she in fact often needs to anticipate changes and plan proactively. All these render the conventional management development method, i.e. classroom training, very limited in effectiveness. Hence more and more emphasis is placed on the management development function in the western world in the hope to improve managerial and hence organizational effectiveness to cope with challenges that the Company faces.

In Hong Kong, although business organizations seem to have been given more freedom in the legal sense compared with their counterparts in North America or Europe, the total environment in which they exist is by no means simple. This is particularly true with the change in political status commencing 1997 which starts a series of other movements: the change in political structure, the

activation of interest groups, the brain-drain in certain trades/professions, the opening up of the China market ... etc. All these definitely add to the complexity of the manager's job, in one way or another. How do organizations in Hong Kong develop their managers to face current challenges? What do local MTD personnel do that are effective and should be maintained? What areas should they review and improve in order to be more effective? These are the major concerns that this paper aims to address.

However, before going further, it is important to define "Management Development." A satisfactory definition quoted from "Management Development: What To Look For" by Denning, Hussey and Newman (1978) reads:

We define Management Development as the total process which an organization adopts in preparing its managers for the growth and change that occur in their working environment. (p.6)

In the same vein, Jones and Woodcock in their book Manual of Management Development defined the function as "the sum of all the activities available to individuals to help them to meet their growth needs and keep the organization viable." (p.1)

In other words, the writer defines Management Development function as one which plans, organizes, leads and controls all activities which aim to enable managers in the organization to develop and grow so as to meet the changing needs of the organization. In addition,

1. Conceptually Management Development should include training for managers. Other than formal training, it encompasses other forms of development for managers such as on-the-job opportunities, task force, etc. However, to avoid confusion, the writer uses the term management training and development (MTD) throughout this paper.
2. The distinction between 'supervisors', 'managers' and 'executives' often creates confusion. For the purpose of this paper, supervisors are considered as first-line managers. Hence MTD includes training and development activities covering first-line supervisors and up to top level executives, including any person who plans, organizes, directs and controls the work of other employees. In fact, the Management Development departments of many organizations in Hong Kong (e.g. Jardines, Hong Kong Telephone, etc.) see supervisory training as part of their responsibilities.

Object and Scope of Study

The objectives of this study are:

1. To find out and examine the current MTD practices in the large- and medium-sized organizations in Hong Kong.
2. To highlight those local MTD practices which are effective and to identify areas in which local MTD personnel could improve in order to be more effective.

As by-products in the course of accomplishing the above two objectives, the writer would, where meaningful, also like:

3. To compare and contrast the MTD practices among companies of different types of ownership.
4. To compare and contrast the MTD practices among companies of various nature of business.

As mentioned in the above objectives, this study covers only large- and medium-sized organizations in Hong Kong. Medium-sized organizations in this paper cover those which employ 101-500 employees whilst large undertakings are taken as those employing more than 500 staff members. The staff strength used in this definition seem smaller than that expected in other countries such as USA or UK. However, considering the fact that the great majority of

business undertakings in Hong Kong employ only less than 100 staff, the writer thinks such definition is appropriate and fair for the local environment.

The reason limiting the scope of this study to those employing more than 101 staff members is that the writer has the assumption that those with a smaller staff size mostly do not undertake any formal MTD programs or activities. Where there is effort expended in this area, it will basically be done informally or on an ad hoc basis. It is the writer's belief that it is highly unlikely for such organizations to maintain a formal MTD or even Human Resources Management (HRM) structure. Consequently, it will be difficult for representatives of these organizations to express their formal MTD practices when participating in this survey.

Value of the Study

There are two reasons why the writer considers it worthwhile to undertake this study:

1. It is hoped that the findings of this study would shed light on the areas in which local MTD practitioners should pay more attention and effort in order to be more effective.

2. As no similar study has been undertaken in this area so far, results of this survey could be treated as the basis for further studies for determining major trends in this MTD profession. For instance, they could serve as a reference for a similar survey which the Management Development Center of the Vocational Training Council is planning to conduct at the time this paper is being written.

CHAPTER II

METHODOLOGY AND APPROACH

The theme of this study is to examine the current management training and development (MTD) practices in medium and large-sized organization in Hong Kong. The findings will then be used to analyse the effectiveness of the MTD function and to form the basis for future studies to determine major trends within the profession. In carrying out the study, the following methodology and approach were adopted.

SURVEY INSTRUMENT - THE QUESTIONNAIRE

To collect data on the current practices of MTD in the target population, a questionnaire was designed and sent out to a sample of 118 medium- and large-sized organizations. The questionnaire covered the following aspects:

1. The Organization and Position of the MTD Function

These include:

- a. The size of the MTD team (full-time, excluding clerical and supporting staff) (Question 4);
- b. The job title of the most senior MTD personnel (Question 5);
- c. The reporting relationship of the MTD function (Question 5).

2.The role of the MTD Function

- a. The perception on where the responsibility of management training and development lies -- with line management or the personnel/training department (Question 6);
- b. The involvement of line management in management training classes (Question 7);
- c. The involvement of MTD department in Performance Appraisal, Succession Planning and Manpower Planning (Question 8).

3.The MTD Budget

- a. Who holds and spends the budget in MTD? (Question 9);
- b. The total MTD Budget (Question 10)
- c. The trend in the MTD budget -- during the last 2 years and over the next 2 years (Question 11);
- d. Whether the MTD expenses are treated as costs borne by the user departments or as overheads of the MTD department (Question 12).

4. The MTD Policy

Whether there is a written policy on management training and development (Question 13).

5. The MTD Methodology and Approach

a. The extent to which various management development methods are used among the sample organizations (Questions 14);

b. Approaches in management training:

- The extent to which various methods of identifying training needs are used (Question 15);
- The extent to which external resources and programs (e.g. MBA, DMS, etc.) are used to train and develop managers (Questions 7 and 18);
- Whether management training is evaluated systematically (Question 19);
- The methods used to evaluate management training (Question 20).

c. Management training programs:

- Current training programs organized for managers (Question 16);
- Subject areas of priority in future in management training (Question 17).

In addition , in order to facilitate comparisons of MTD practices among various types of organizations, participants are required to reveal the staff size, the type of ownership and the nature of business of their organizations (Questions 1-3).

The complete questionnaire is presented in Appendix I.

SAMPLING METHOD

In this survey, sample organizations are selected and/or identified from the following sources:

1. Membership list of the Hong Kong Society for Training and Development;
2. Membership list of the Hong Kong Institute of Personnel Management; and
3. The writer's personal contacts in the profession in Hong Kong.

The assumption in taking these three sources for identifying and/or selecting sample organizations is that: The great majority of organizations which give emphasis and effort in training and developing their managers very likely have representatives as members of either or both of these two professional bodies as mentioned in 1 and 2 above. In cases where this does not apply, the writer's personal contacts would form a supplementary source.

In selecting the sample organizations, the following were observed:

1. Only practitioners in management training and development, personnel management and other possibly relevant areas (e.g. organization development, career planning, administration, etc.) are selected as samples. In other words, lecturers of universities or polytechnics, independent management consultants and other irrelevant position-holders (e.g. accountants,

etc.) are all excluded.

2. Where more than one persons are from the same organization, only the most senior position-holder in the most relevant discipline is chosen. This was done to avoid duplication in representation.

To increase the return rate, a letter explaining the background and objective of the survey was sent to each sample organization together with the questionnaire. The participant organizations were given the option of receiving a copy of the summary of findings of the survey. Those who took the option were requested to complete and return a simple reply slip to the writer. The letter and the slip are presented in Appendix II.

APPROACH

Findings are first presented in their summarised form. Where appropriate, they are also interpreted in a way so as to compare the situations in various categories of respondent organizations, by staff size, types of ownership or nature of business. They are then supplemented by the writer's analysis of such findings.

All findings and their analysis are presented in Chapters IV - VI, with Chapter IV on General Information, MTD Organization and Relationship; Chapter V on MTD Budget and Policy; and Chapter VI on MTD Approach and Programs. Chapter VII is on Conclusions and Recommendations.

CHAPTER III

SUMMARY OF FINDINGS

This chapter presents the major findings of the survey.

ORGANIZATION, POSITION AND RELATIONSHIP OF THE MTD FUNCTION

The average size of the MTD staff (full-time) of the 59 respondent organizations is 2.69. The mode is 2.

The highest average size of MTD staff lies in Holding Companies (3.8), followed by Hotel/Tourism and Public Utility organizations (both 3.4). The highest mode is in Retail/Wholesale/Trading (3-4).

The highest ratio of MTD staff per 100 employees is in Manufacturing (0.252). The lowest is that of Public Utility organizations (0.067).

Twenty-five of the 59 respondents (i.e. 42.4%) have the most senior MTD person oversee other functions such as personnel management and administration. Twenty-three (i.e. 40.0%) have the MTD function overseen exclusively by Training and Development Manager, Management Development Manager and the like.

Twenty-seven (45.8%) of the respondents have their MTD function directly reporting to the top level of their organization such as the managing director, president, chief executive officer or even the chairman.

More than 66% of the respondents have their MTD function reporting to the Assistant Director level or above.

Forty-nine (83.0%) of the respondents indicate that MTD is a joint responsibility in their organizations. Nine (15.3%) report that it is the MTD/staff department's responsibility, and one (1.7%) report that it is the responsibility of line management.

In forty-four (7.46%) of the responding organizations, the MTD personnel are involved in or responsible to designing the policy on Performance Appraisal. Thirty-eight (64.4%) have responsibility in that on Succession Planning, and 39 (66.1%) on Manpower Planning.

BUDGETING

The MTD budget is reported to be held and spent by the head of the MTD function in 42 (71.2%) of the responding

organizations. In five (8.5%) responding organizations, it is being held and spent by line management, and in eight (13.5%) cases, it is reported as a joint-responsibility.

Eight of the responding organizations have their MTD budgets amounting to more than HK\$2 millions. The mode of the sample is HK\$100,001-400,000.

Public Utilities and Banking/Finance/Insurance organizations have the largest MTD budgets. On the other hand, Holding Companies have the smallest on the average.

Regarding the trend of changes in the MTD budgets, 32 (54.2%) reported an increasing trend in the past two years. Three (5.1%) indicated a decrease in their MTD budgets, and 23 (39%) said theirs remained more or less unchanged.

For the coming two years, 45 (76.3%) anticipate an increase in their MTD budgets; 13 (22%) anticipate a stability and none expect a decrease.

POLICY

Thirty-four of the responding organizations (i.e. 57.6%) report that they have a written MTD policy statement.

USE OF MANAGEMENT DEVELOPMENT METHODS

Task-force/project group is being used by 62.7% of the respondents; job rotation by 67.8%; secondment by 57.6%; special projects by 40% and mentoring by 33.9%.

MANAGEMENT TRAINING APPROACH

Use of Resources in Management Training

Almost 90% of the responding organizations report that they use line managers as instructors in conducting management training, either frequently or occasionally.

The percentage of respondents using external trainers to conduct management training is almost 96%.

All Holding Companies, Hotel/Tourism organizations and Public Utilities use line management as a resource in management training program. Only 75% of Banking/Finance/Insurance organizations have such a practice.

External Program Sponsorship

Almost 68% of the sample organizations sponsor managers on MBA programs; 84.7% do so for the DMS programs.

Japanese- and US-based companies give the lowest sponsorship rate for the attendance of the MBA and DMS programs (50% and 60% respectively).

The highest MBA and DMS sponsorship lies with the Retail/Wholesale/Trading section, followed by the Public Utilities. The lowest in the Hotel/Tourism section, followed by Manufacturing.

Training Needs Analysis

The most commonly used method to identify training needs is 'Request by Line Management' (91.6%). The least popular is 'Ad Hoc Assessment by Training Staff' (74.6%).

Evaluation of Training

Forty-two (71.2%) of the sample organizations systematically evaluate their management training programs. All of them use the post-course reactions questionnaire. Only less than 28% use follow-up questionnaires to participants and their superiors as an evaluation tool. About half of them use follow-up interviews with participants and their bosses.

MANAGEMENT TRAINING PROGRAMS

The most commonly organized in-house program is on Performance Appraisal (79.7% of the respondents run this), the second being Leadership and Team-Building (71.2%). The least common in-house management training program is on Project Management (23.7%), followed by Conflict Management (28.8%).

The most popular external program is General Management (66.1%), followed by Written Communication (54.2%). The least is Performance Appraisal (18.6%) and Coaching (23.7%).

The highest priority skills for managers for the coming year are (in terms of numbers of votes) Leadership/Team-Building, Problem-solving and Decision-making, Marketing Management, People Management/Interpersonal Skills, Time Management and General Management Concepts.

CHAPTER IV

ANALYSIS OF FINDINGS (I) -

GENERAL, ORGANIZATION AND RELATIONSHIP

This chapter presents the findings regarding the general background of the responding organizations of the survey. It also highlights and interprets findings on the organization and relationship of the MTD function in the respondents.

GENERAL

Of the 118 questionnaires sent out, 61 were returned, giving a return rate of just over 51.7%. One responding organization indicated without giving any reason that it was unable to participate in the survey. Another explained that it does not have any management training and development function. As a result, input from the remaining 59 respondents were analysed.

The 59 respondents can be classified by staff size, type of ownership and nature of business as shown in Tables 1-3.

TABLE 1
SAMPLE BREAKDOWN BY STAFF SIZE

<u>No. of Employees</u>	<u>Frequency</u>	<u>Percentage</u>
1-100	0	0
101-200	4	6.8
201-500	8	13.6
501-1000	19	32.2
1001-3000	14	23.7
More than 3000	<u>14</u>	<u>23.7</u>
TOTAL	59	100.0

From the above, one could see that no respondent has less than 101 staff members. This renders the sample appropriate for this study, the target of which is "medium- and large-sized organizations."

TABLE 2
SAMPLE BREAKDOWN BY TYPE OF OWNERSHIP

<u>Type of Ownership</u>	<u>Frequency</u>	<u>Percentage</u>
Public-quoted HK Company	21	35.6
Private HK Company	5	8.5
Subsidiary/associate of:		
PRC Company	0	0
UK Company	13	22.0
US Company	14	23.7
Japan Company	2	3.4
Others*	<u>4</u>	<u>6.8</u>
TOTAL	59	100.0

* Included two subsidiaries/associates of other overseas companies, a public statutory corporation and an organization by membership.

TABLE 3

SAMPLE BREAKDOWN BY NATURE OF BUSINESS

<u>Nature of Business</u>	<u>Frequency</u>	<u>Percentage</u>
Holding Company	6	10.2
Construction	2	3.4
Manufacturing	6	10.2
Retail/Wholesale/Trading	10	16.9
Banking/Finance/Insurance	12	20.3
Hotel/Tourism	6	10.2
Professional Services	3	5.1
Computer/Computer Services	3	5.1
Public Utility	8	13.6
Other*	<u>3</u>	<u>5.1</u>
	59	100.0

* Included a container terminal, a fast food chain and an entertainment/charity organization

ORGANIZATION AND RELATIONSHIP1. Size of MTD Staff

The average size of MTD staff of the sample is 2.69. The mode is

2. The frequency distribution is shown in Table 4.

TABLE 4

DISTRIBUTION OF RESPONDENTS BY SIZE OF FULL-TIME MTD STAFF*

<u>MTD Staff Size</u>	<u>Frequency</u>	<u>Percentage</u>
None	8	13.6
1	14	23.7
2	15	25.4
3-4	12	20.3
5-8	7	11.9
More than 8+	<u>3</u>	<u>5.1</u>
TOTAL	59	100.0

Note: * Excluding typing, secretarial and other support staff.

+ Based on the writer's information and knowledge, the average number of MTD staff in these three organizations is assumed to be nine. This assumption will hold in all analysis in this paper.

As seen in Table 4, eight out of the 59 sample organizations (i.e. 13.6%) do not employ any full-time MTD staff. This percentage is much lower than the writer's expectation.

To analyse the difference in size of MTD staff in organizations of various industries or businesses, the respondents are classified by their nature of business and calculations are done to arrive at the following:

TABLE 5
 SIZE OF MTD STAFF OF RESPONDENTS
 CLASSIFIED BY NATURE OF BUSINESS

	<u>Size of MTD Staff</u>						<u>Mode</u>	<u>Mean</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3-4</u>	<u>5-8</u>	<u>>8</u>		
Holding Company	0	0	3	1	2	0	2	3.8
Manufacturing	1	4	0	1	0	0	1	1.3
Retail/Wholesale/Trading	1	2	2	4	1	0	3-4	2.6
Banking/Finance/Insurance	1	3	4	3	1	0	2	2.3
Hotel/Tourism	0	3	1	0	1	1	1	3.4
Public Utility	1	1	4	0	0	2	2	3.4

Note: In order to have high representation and meaningful analysis only businesses/industries with more than three respondents are selected for comparison.

As shown in Table 5, the highest mode in terms of size of MTD staff is found in the retail/wholesale/trading industry. In terms of mean, holding companies have the highest, followed by the hotel/tourism industry and also the public utilities. One possible for the latter finding is that both holding companies (or headoffices of hongs and conglomerates) and public utilities have large staff population and hence hire more staff to work on management training and development activities. As for the hotel/tourism industry, much more emphasis has been put on

staff training in the past five years than before. This is reflected from the increasing number of training personnel hired in the industry. At the same time, more and more hotels employ managers to oversee the training function instead of putting it as part of the personnel manager's job. The main thrusts of such a trend lie in the keen competition in the industry, as well as in the labor market as a result of the boom of the hotel business in China.

However, this only presents part of the picture. Table 6 which is on the ratio of average number of employees to MTD staff member gives the remaining part.

It is difficult if not impossible to determine the ideal employee-MTD staff ratio. However, as a reference, a survey conducted in 1974 of 109 member firms of the American Society of Personnel Administrators revealed that the number of persons on the staff of the personnel department per 100 employees ranged from 0.15 to 4.76, with a median of 0.89. ("Planning and Budgeting the Personnel Program, ASPA-BNA Survey No.23. The Bureau of National Affairs, Inc., USA, 1974). Given that personnel management involves more sub-functions than MTD, and the fact that clerical and support staff are excluded in this survey, the average amounting to 0.166 in this study should not be considered low.

TABLE 6
NO. OF EMPLOYEES TO MTD STAFF RATIO --
CLASSIFIED BY NATURE OF BUSINESS

	No. of Employees/ <u>MTD Staff Member</u>	No.of MTD Staff/ <u>100 Employees</u>
Holding Company	1,075	0.112
Manufacturing	350	0.252
Retail/Wholesale/Trading	581	0.175
Banking/Finance/Insurance	826	0.106
Hotel/Tourism	540	0.229
Public Utility	2,907	0.067

Note: For organizations of more than 3,000 staff members, the staff size were obtained by checking with the respondents concerned (if identifiable). Where in four cases in which this was not possible, the figures were estimated.

In arriving at the above figures, the staff size of any individual respondent is taken as the mid-point of the size range in which it belongs.

From Table 6, Manufacturing which has the lowest average number of MTD staff members (1.3) per organization has the lowest average number of employees per MTD staff member (350). In other words, although the absolute number of MTD staff members is low in the Manufacturing industry, the

attention and presumably effort in terms of MTD given to each employee is high. On the other hand, despite that the absolute MTD staff strength is high in both holding companies and public utilities, the per-employee attention or effort in terms of MTD is not high at all compared with other industries.

According to the writer's experience in the profession, in the case of the holding companies, the job of the MTD staff is to give advice on MTD policy and to shop around and identify external management training resources (e.g. programs or course leaders) suitable for in-house use. Much classroom activities are being conducted by the subsidiaries' MTD team. Hence the fact that the ratio of staff strength per MTD is high should not be seen with surprise.

As for the public utilities, a common practice in MTD is to introduce and install external training packages in-house. Examples are the Interaction Management package by Development Dimension International (DDI) in the Hong Kong Telephone, the Louis Allen Professional Manager's Seminar in the Kowloon-Canton Railway, the Henley's distance-learning management development program in China Light and Power, etc. Such practices largely reduce the effort and manpower required to develop management training programs for the large size of management staff. At the same time, such

programs are already credible and more readily accepted by line managers. They therefore help reduce the effort for MTD staff to sell them to the top and line management.

2. Position in Organization

Among the 59 respondents, 25 (i.e. 42.4%) indicated that the most senior person directly responsible for the MTD function also oversees other related functions such as personnel management, administration and organization development. This is reflected by their job titles which include Personnel Manager, Administration Manager, Staff Manager, People and Organization Development Manager, etc.

Eight (13.6%) reported that their most senior MTD persons have exclusive responsibility in the management training and development function. They reportedly bear job titles like Management Development Manager, Manpower Development Manager, Senior Adviser - Area Management Development and Training, etc.

Fifteen (25.4%) reported that their most senior MTD person bear titles of Training Manager or Management Training Manager. What title the MTD personnel hold is irrelevant. Much depends on the preference, structure and tradition of the company. However, for those who bear the title Training Manager or alike, there may be a danger that the position-holders or the 'client managers' perceive the

function as one limited to formal training activities. By definition however, much Management Development takes place in various forms outside the classroom. Hence under this circumstance, the organization should really consider whether such titles reflect what the job should be.

In terms of level, in five cases are the most senior MTD persons reported to have titles at Director level, e.g. Director - Personnel and Administration, Executive Director, etc. However, since the same job title in different organizations often have different meanings in terms of level or seniority, this piece of information should be interpreted with caution.

In one case the reply to the question is 'Controller', and in another 'Assistant Manager'. In both cases, the information given is insufficient to allow any meaningful interpretation.

There does not seem to be any distinct difference in the job title of the head of MTD function among companies in various industries or businesses. The only exception is found in the hotel/tourism industry in which the heads of the MTD function in all responding organizations bear the title 'Training Manager'. Even though in some cases the incumbent report to the personnel manager, the MTD function is seen to

worth separate attention and worth standing alone from the other human resources management functions. This phenomenon could well be explained by the reason mentioned earlier.

3. Reporting Relationship

Twenty-seven (45.8%) of the responding organizations indicated that the most senior MTD person report to Managing Director, President, Chief Executive or even Chairman of the Board.

Five (8.5%) reported that their heads of the MTD function report directly to the next lower level, i.e. Assistant Managing Director, Assistant General Manager or Deputy General Manager.

In seven (11.9%) of the responding organizations, this person reports to somebody of Director or Assistant Director level.

In eighteen (21.7%) cases, the person reports to Manager, Adviser or Controller of the human resources management function, six of whom are at the regional, area or group level.

In short, 66.2% of the respondents reported their heads of MTD function are directly under the Assistant Director level

or above. This finding indicates that the MTD function is generally placed high in the subject organizations. This allows the function to have sufficient standing to handle confidential information (e.g. succession plans), and to deal with managers of top and senior levels. At the same time, this is partly the result of "increased recognition of the total field of human resources and the need for leadership in that area within organizations" commencing the 1980's. (Leonard Nadler, "Human Resources Development", The Handbook of Human Resources Development, John Wiley & Sons, Inc. USA, 1984, p.1.31). As a reference for comparison, a similar study conducted in UK in 1984 indicates that the percentage of respondents having their MTD functional head directly reported to a Director or above was as high as 80%. (Peel, Malcolm, "Management Development and Training -- A Survey of Current Policy and Practices", British Institute of Management, 1984, p.23.)

4. Division of Responsibility

Of the 59 respondents, 49 (83%) indicated that MTD is a joint responsibility between the personnel/T&D department and line management. Nine (15.3%) reported that MTD is considered as the personnel/T&D department's responsibility in their organizations. Only one (1.7%) reported that MTD is seen as a line management's responsibility.

These figures indicate that most organizations accept the thinking that the responsibility of developing and training managers is a joint between line management and MTD department. As Nadler wrote in his article "Human Resources Development", "HRD is a responsibility of the entire organization". In other words, it means MTD which is part of HRD, is a line responsibility and a staff function. Where it is indicated that it is a joint responsibility, it is likely that the MTD has certain responsibilities to control and to give expert advice and service.

As the above results show, the percentage of organizations which see MTD as a line responsibility is only 1.7%, which is extremely low compared with the results of an international study done by PA Personnel Services in 1986. ("Management Development and Mentoring", An International Study, PA Personnel Services, July 1, 1986.) The latter gives percentages as high as 33% in France, 25% in Holland, 18% in UK and 10% in USA. This in a way reflects high dependence of line management on MTD personnel in Hong Kong. While the MTD institution provides service and advice to client departments, it can never assume all MTD responsibilities of the organization, and in particular, of the individual manager himself/herself. Hence MTD personnel have to educate and reinforce managers to take up the responsibility of developing themselves and their subordinate managers.

No significant pattern seems to have emerged regarding the difference in perception in this regard among various industries/businesses or organizations of different types of ownership.

INVOLVEMENT OF MTD STAFF IN PERFORMANCE APPRAISAL, SUCCESSION PLANNING AND MANPOWER PLANNING

The extent to which MTD staff in the responding organizations are involved in performance appraisal, succession planning and manpower planning is tabulated in Table 7:

TABLE 7	
MTD DEPARTMENT RESPONDIBLE FOR/INVOLVED IN	
POLICY CONCERNING THREE HRM FUNCTIONS	
	<u>No. of Respondents (Percentage)</u>
Performance Appraisal	44 (74.6)
Succession Planning	38 (64.4)
Manpower Planning	39 (66.1)

As mentioned in Chapter I (see p.1), Management Development is defined as the use of any techniques to develop managers. Before this could be done, however, the organization needs to have information on:

(a) what types (in terms of calibre/competency) and quantity of managers it requires to meet its business plans in the coming period;

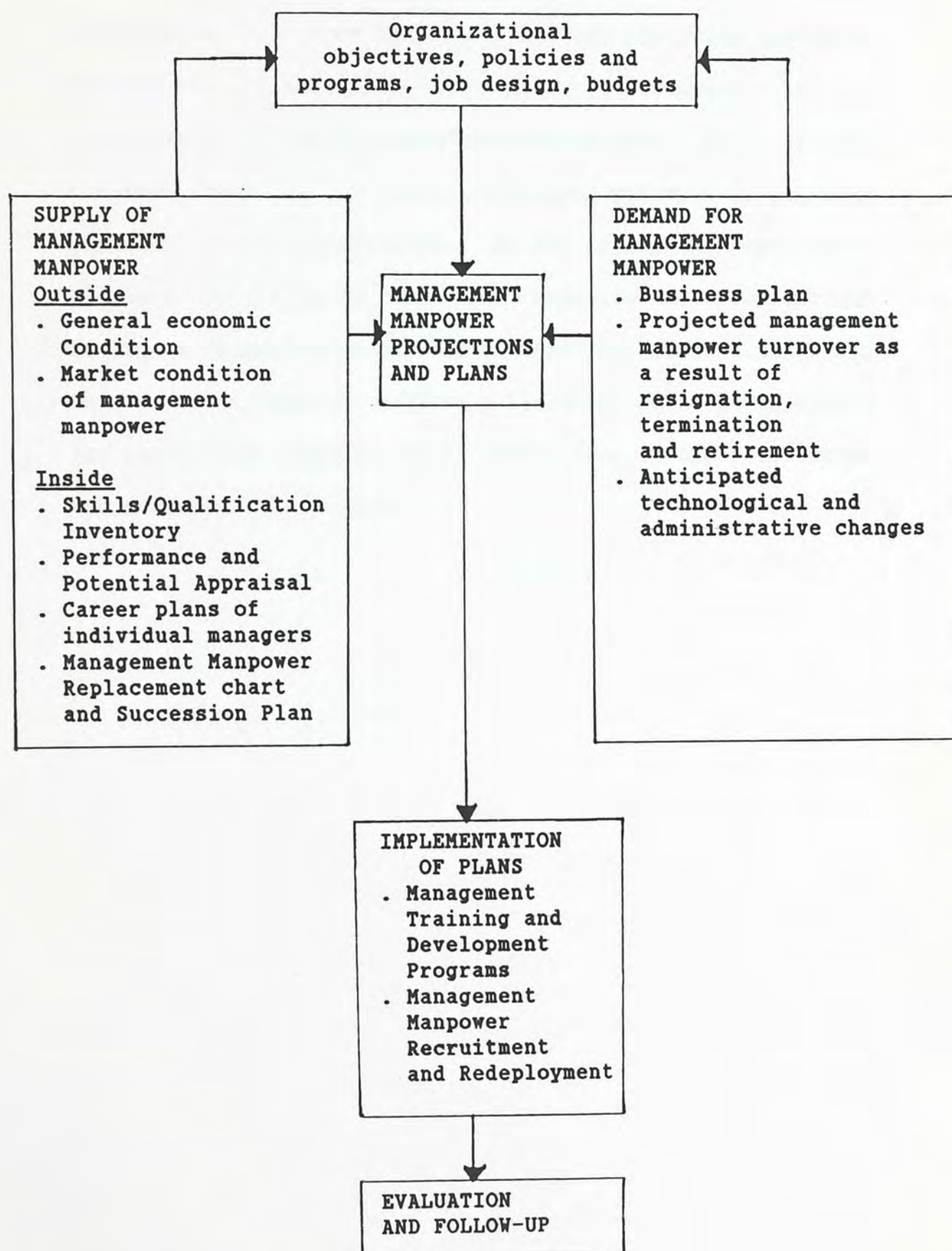
(b) What types and numbers of managers it possesses currently.

By comparing these two, the organization could then identify the discrepancy, which should form the basis for planning the direction, timing and programs of the MTD activities.

Information under (a) are readily available in the organization's manpower plan, whilst those under (b) should be from sources including performance appraisal and the succession plan. In short, performance appraisal, succession planning and manpower planning are all HRM functions which are very closely related to MTD. This is illustrated in the diagram on the next page.

Given this background, one could say that the link between MTD and these three components of the HRM function in the responding organizations is not as close as it should be. There is probably more than one reason for this. One is that the MTD staff may be seen as a separate function from the HRM, and MTD and MRM are being overseen by two different entities. While these entities may report to the same divisional or functional head, whether they work as closely as they should very much depends on the political thrusts or personal relationship between them.

RELATIONSHIP BETWEEN
PERFORMANCE APPRAISAL, SUCCESSION PLANNING
MANAGEMENT MANPOWER PLANNING AND MTD



In other cases, the MTD function may have placed an immense amount of emphasis on training when it was first established, so much that the MTD staff are being perceived within the organization as management trainers who are responsible to conduct training classes only. Still in some others, there is no formal succession planning or manpower planning in the organization. As for performance appraisal, although it is true that the majority of organizations having a staff size of more than 101 do have this, its output often serves only as a basis for determining salary increments or training needs rather than an input for broad MTD decisions.

CHAPTER V

ANALYSIS OF FINDINGS (II) -
BUDGETING AND POLICY FOR
MANAGEMENT TRAINING AND DEVELOPMENT

BUDGETING1. Budgetary Control

Table 8 below shows who holds the management training and development budget in the fifty nine companies surveyed.

TABLE 8
WHO SPENDS/HOLDS THE MTD BUDGET

	<u>Frequency</u>	<u>Percentage</u>
Head of MTD	42	71.2
Line Managers	5	8.5
Jointly by the above two	8	13.5
Head office	1	1.7
No response	3	5.1
	-----	-----
	59	100.0

Majority (71.2%) of respondents reported that the MTD budget is being spent (and hence being held) by the Head of the MTD function.

A look on the type of companies with budget not controlled by Head of MTD does not reveal anything significant. However, it is interesting to note that all the five companies with line managers responsible for the MTD budget are large companies with the number of employees being 500 and above. It could be that MTD Department in larger organizations are not always possible to account for all MTD policies due to constraints in adequate resources and authority/importance assigned by senior management. On the other hand, MTD Departments in smaller organizations are easier to establish distinct position and trust with senior management and hence acquire wider range of responsibilities in the MTD function.

2. Size of MTD Budget

The distribution is shown in Table 9

TABLE 9

TOTAL ANNUAL BUDGET AVAILABLE FOR MTD ACTIVITIES

	<u>Frequency</u>	<u>Percentage</u>
	(N=59)	
None	1	1.7
Below HK\$100,000	12	20.3
HK\$100,001 - 400,000	15	25.4
HK\$400,001 - 700,000	9	15.2
HK\$700,001 - 1,000,000	6	10.2
HK\$1,000,001 - 2,000,000	7	11.9
Over HK\$2,000,000	8	13.6
Not reported	1	1.7
	-----	-----
	59	100.0

Sizes of MTD budget vary widely but in general in direct proportion with the number of employees in the organization. Thirty-eight of the respondents reported that their budget amounts do not include salaries of the MTD staff, whilst ten reported that theirs do. Likewise, thirty-one indicated that the overhead costs of the MTD department are not included in the budgets, whilst twenty-one respondents indicated that such

costs are included. Hence taking into consideration of such costs, the above budget amounts will definitely be boosted substantially. This is particularly true in view of the fact that salaries of MTD staff often take up a significant part of the total MTD investment. If one takes one step further and take into account of the total training time of the participant managers and the line managers who are involved in planning and implementing these training programs, the amounts that each organization spend each year on training and developing their managers easily come to millions of dollars.

A further examination shows that in terms of nature of business, the public utility and Banking sectors have the largest budget. The former is well understood in view of its large staff size. On the other hand, large MTD budget in the Banking sector would be attributed to: a) the keen market competition and hence require lots of MTD activities to achieve the demand in highest skill and b) many banks are subsidiaries/offices of UK & US parents which place great emphasis on MTD.

Holding company is noted to have a small MTD budget despite a large staff size. On discussion with the respondents, it is discovered that most holding companies have various types of MTD departments throughout their subsidiaries. So that MTD functions in the holding company itself are limited and accordingly account for a small MTD budget.

3. Changes in the Annual MTD Budget

- In The Last Two Years

Most respondents (32, i.e.54.2%) reported an increase in MTD budgets in the past two years, while three (5.1%) reported a decrease. Twenty-three (39%) indicated that the budget had remained steady for the last two years, and one gave no answer to the question.

It is worth pointing out that all the three companies with a decreased budget are foreign banks who have been scaling down their operations in the region. The decreases basically reflect contraction in their presence in Hong Kong rather than changes in value on MTD.

- Anticipated Change in the Next Two Years

Again, most respondents (45, i.e.76.3%) anticipated that their MTD budget would increase in the next two years. Thirteen (22%) reported they anticipated no change and none expected a decrease. Again one gave no response to the question.

The comparison table below does suggest that companies are overall prepared to invest more on MTD in the coming two years.

TABLE 10
CHANGES IN THE ANNUAL MTD BUDGET

	<u>Last Two Years</u>		<u>Next Two Years</u>	
	<u>Frequency</u>	<u>Percentage</u>	<u>Frequenct</u>	<u>Percentage</u>
	(N=59)		(N=59)	
Increased	32	54.2	45	76.3
Remained				
Steady	23	39.0	13	22.0
Decreased	3	5.1	-	-
No Response	1	1.7	1	1.7
	-----	-----	-----	-----
	59	100.0	59	100.0

There is no specific type of company (in terms of size, ownership and nature of business) appearing to be particularly aggressive or conservative towards its MTD budget.

4. Who Bears the MTD Costs

In only 17 (28.8%) of the 59 responding organization cross charge costs to user departments. One reported both MTD and line departments "jointly" contribute to pay the MTD costs. One gave no response. For the remaining 40 (67.8%), MTD costs are treated as overhead expenses of MTD department.

One possible danger of cross-charging training costs to client or user departments is that it may be seen as a form of discouragement or barrier for line managers to attend management training programs of their choice. In addition, it adds much administrative work and time. However, the main advantage of such a practice is that it could lead line management to be more stringent in the selection of appropriate training programs. In other words, it will lead managers to choose the programs that they really in need of rather than those which are nice or "no harm" to go. It also make managers and the organization more cost-effective conscious in the planning of management training activities. By adopting such a practice, training costs, like other costs and expenses, are decentralized so that each individual cost- or contribution-center can carry out their performance analysis in terms of cost-effectiveness.

All in all, in large organizations where there are economies of scale for the administration work arising from the cross-charging procedure, this practice could help ensure line managers are result-oriented in participating in MTD activities. This is particularly feasible in the holding companies.

CHAPTER VI

ANALYSIS OF FINDINGS (III) -
MANAGEMENT TRAINING AND DEVELOPMENT -
APPROACH AND PROGRAMS

MANAGEMENT DEVELOPMENT METHODS

The most effective MTD programs include three dimensions: (1) the input of knowledge and concepts; (2) opportunities to apply knowledge and (3) feedback and reflective information to accelerate learning. While management training can provide (1), it can only give (2) and (3) in the training-room environment. As adults learn best when what they learn is directly applicable to the job, the most important learning should come from the job and the people around rather than from formal training courses. Consequently job rotation, task force, special projects, etc. should all form an essential part of any management development program.

Results of this study in this aspect are presented in Table 11:

TABLE 11
USE OF MANAGEMENT DEVELOPMENT METHODS

<u>Method</u>	<u>Percentage of Respondents</u>
Task-force/project group	62.7
Job rotation	67.8
Secondment	57.6
Special projects	40.0
Mentoring	33.9

The above shows that Job Rotation is the most popular method of management development among the five. This is probably because of its simplicity and convenience in terms of logistics and methodology. At the same time, it is also effective. As London writes, "Fast-track manager-development programs may shield young managers from failure by moving them from job to job to give them wide experience and train them as generalists." (London, Manuel. Developing Managers. p.27) A study by Martin & Kerney in 1973 report that on-the-job experiences and job transfer were rated as the most effective management development techniques by more than half of the participating organizations.

The fact that 67.8% of the respondents use Job Rotation as a management tool does indicate that MTD practitioners of medium- and large-organizations in Hong Kong realize the importance of this form of management. In fact, this

figure compares favorably with the percentage of 60% in UK in 1984 (Peel, Malcolm. "Management Development and Training, p.31).

The second most commonly used method is the task-force/project group. The reason for its popularity is basically the same. In any case, project teams and work committees exist in most organizations and it really does not need much extra effort in using them as tools in developing managers.

At the other end mentoring, which is a process in which one person (the mentor) is responsible for overseeing the career and development of another person (the protege) outside the normal manager-subordinate relationship, is rated as the least used method. In fact, some respondents leave this column blank and when a few were approached for explanation, they admitted that they were not familiar with the meaning of the term. However, the 33.9% is in fact much higher than the 17.6% revealed by an international study conducted by PA Personnel Services in eight countries in 1986. Results of the same survey indicate that this method is earning growing interest.

In short, results of this study indicate the respondent organizations generally make much use of various off-the-classroom methods in developing their managers.

MANAGEMENT TRAINING APPROACH

1. Resources for Conducting In-House Management Training

The extent to which line management and external resources are used in conducting management training among the respondents is summarized in Table 12.

TABLE 12

RESOURCES FOR CONDUCTING IN-HOUSE MANAGEMENT TRAINING

	<u>Never</u>	<u>Occasionally</u>	<u>Frequently</u>
Line management	5(8.5)	36 (61.0)	17 (28.8)
External trainers	0(0.0)	48 (81.4)	9 (15.3)

Note: Figures in parenthesis represent percentages.

The above shows that almost 90% of the respondents use line management as instructors. This is something that MTD theorists and practitioners should like to see. Involvement of line management in in-house programs often helps increase the relevancy of materials, examples and methods of the program. It also increases the commitment of line managers to apply and reinforce the learning on the job. An important point to note is of course that line managers acting as instructors must be equipped with effective training skills.

When responding organizations are classified according to their staff size, it is found that all of those who have more than 1,000 staff members reported that they occasionally or frequently hire external trainers to conduct management training in-house. Obviously this is because of the large size of the managerial staff which may not be so easily dealt with by the exclusive use of the internal MTD resources.

Likewise, when responding organizations are classified by their nature of business, all public utilities, holding companies and hotel/tourism organizations indicated that they invite managers to conduct management training. The former two probably do this because of the same reason mentioned above, i.e. the MTD team's resources is too thin compared with the immense size of the managerial staff to be covered. As for the hotel/tourism industry, it has always been perceived that training in this industry is somewhat more specialized than that in other industries. Fifty percent of the respondent organization in this industry reported that they frequently have line managers conduct management training. This represents the highest percentage among all industries. Probably owing to its peculiar nature of operation, training in hotels have always maintained a close relationship with line. In fact it is a common practice of this industry to pick its training personnel from the line.

TABLE 13
 PERCENTAGE OF RESPONDENTS USING LINE/EXTERNAL
 RESOURCES TO CONDUCT IN-HOUSE MANAGEMENT TRAINING --
 CLASSIFICATION BY NATURE OF BUSINESS

	<u>Line</u>	<u>External</u>
Holding Company	100.0	83.3
Manufacturing	83.3	100.0
Retail/Wholesale/Training	80.0	90.0
Banking/Finance/Insurance	75.0	83.3
Hotel/Tourism	100.0	83.3
Public Utility	100.0	100.0

2. External Program Sponsorship

Forty respondents (67.8%) reported that they sponsor their managers to study the MBA program, and fifty (84.7%) indicated that they do so for their managers studying the Diploma course in Management Studies (DMS).

Other external programs on which managers of the responding organizations are sponsored to study reportedly include:

- Courses and/or examinations which lead to the relevant professional qualification, e.g. Associate of Institute of Bankers (AIB), Association of Certified Chartered Accountants (ACCA), etc.

- General management development programs, e.g. Management and Executive Development Program (MED) offered by The Chinese University of Hong Kong, the General Management Development Program organized by the Management Development Center of the Vocational Training Council, etc.
- Any job-related programs, e.g. Certificate of Personnel Management, short courses on specialized disciplines. etc.
- Technical/vocational training courses; and
- Overseas management programs, e.g. courses offered by the headoffice overseas, management courses offered by the famous universities or business schools in US and Europe.

Table 14 and 15 present the picture on external program sponsorship when respondents are classified by staff size and nature of business respectively.

TABLE 14

EXTERNAL PROGRAM SPONSORSHIP BY RESPONDENTS --

CLASSIFIED BY STAFF SIZE

	<u>TOTAL</u>	<u>101-200</u>	<u>201-500</u>	<u>501-1000</u>	<u>1001-3000</u>	<u>3000 +</u>
MBA	67.8	50.0	87.5	47.4	71.4	85.7
DMS	84.7	50.0	87.5	84.2	85.7	85.7

Table 14 indicates that organizations with 200 or less staff members less readily sponsor management development programs which last for a long period, say more than one year. Another finding from this table is that in general

more companies sponsor their managers to study the DMS course than the MBA program. Since these two programs are not significantly different in terms of their duration (both are two to three years), the major cause for such a phenomenon should rest on the fact that the fee for attending the MBA program is generally higher than that for the DMS course.

From Table 15, one could see that the hotel/tourism industry has the least percentage of respondents which sponsor their managers to study MBA or DMS course. This phenomenon probably relates to the point raised earlier -- that is, management in this industry is seen as a specialized discipline because of the peculiar nature of the business, so much to the extent that it needs separate treatment other than the regular management study programs.

TABLE 15

EXTERNAL PROGRAM SPONSORSHIP BY RESPONDENTS --

CLASSIFIED BY NATURE OF BUSINESS

	<u>% of Companies Sponsoring</u>	
	<u>MBA</u>	<u>DMS</u>
Holding Company	50.0	83.3
Manufacturing	50.0	66.7
Retail/Wholesale/Trading	90.0	100.0
Banking/Finance/Insurance	66.7	91.7
Hotel/Tourism	16.7	66.7
Public Utility	87.5	87.5

At the same time, management in this industry also has an overwhelmingly close link with its operation. This results in a general feeling that the MBA or DMS course is not as relevant to managers in this industry as it is to their counterparts of say, banks, etc. Another reason for this may also be the relatively low MTD budget as compared with those in other businesses.

On the other hand, respondents in the industries of retail/wholesale/trading has the highest percentage of companies sending or sponsoring managers on the two said programs. No obvious reason for this fact is observed in this study.

When respondents are classified by the type of ownership, it is found that US-based companies give the lowest percentage in terms of the number of organizations sponsoring managers on MBA programs (see Table 16). Two reasons could possibly attribute to this finding:

- (a) Many US-based multinational corporations put MBA as one of the prerequisites when hiring people to fill management positions; and
- (b) Many of these corporations already have standardized management training packages developed by their training team in the headoffice. It is also a common practice to send their managers to attend training in their overseas headoffice or regional training center.

TABLE 16
 PERCENTAGE OF RESPONDENTS
 SPONSORING MANAGERS ON MBA PROGRAMS --
 CLASSIFIED BY TYPE OF OWNERSHIP

Public-quoted Hong Kong Companies	71.4%
Private Hong Kong Companies	60.0%
Subsidiaries/associates of UK Companies	84.6%
Subsidiaries/associates of US Companies	57.1%
Subsidiaries/associates of Japanese Companies	50.0%*

Note: *Since the number of subsidiaries/associates of Japanese companies is only two, the percentage shown here is not representative.

While it is impractical to say whether organizations should sponsor their managers to attend external management development programs, this study indicates that respondents organizations are generally quite generous in this respect. This reflects a form of commitment and emphasis on MTD on their part. In fact, the sponsorship rates in this study are substantially higher than those revealed by a similar survey in UK (Peel, "Management Development and Training"). In that survey, sponsorship rate ranges from around 10 to 50%, with larger organizations showing higher rates.

3. Training Needs Identification

The extent to which various methods of training needs identification are used by the respondents is shown in Table 17.

As seen in Table 17, 54 respondents use the method of "Request by Line Management" to identify training needs and 53 use the regular performance appraisal. The former is particularly practical as then the focus is on individual manager's needs. Of course, its effectiveness much depends on the design of the appraisal system/form and the skill of the appraising manager.

On the whole, the percentage of use of the first two methods are higher than those in UK according to Peel's survey in 1984 ("Management Development and Training", BIM). This indicates that MTD practitioners are generally needs-oriented in planning management training.

TABLE 17
METHODS OF IDENTIFICATION OF TRAINING NEEDS --
EXTENT OF USE BY RESPONDING ORGANIZATIONS

	<u>No. of Respondents</u>		
	<u>Never</u>	<u>Occasionally</u>	<u>Frequently</u>
Based on the regular performance appraisal	6 (10.2)	15 (25.4)	38 (64.4)
Ad hoc assessment by training staff	6 (10.2)	29 (49.2)	15 (25.4)
Request by line management	0 (0.0)	27 (45.8)	27 (45.8)
Internal publication of available courses and subsequent nomination of individual managers	6 (10.2)	10 (16.9)	41 (69.5)

Note: Figures in parenthesis indicate the percentage of respondents using the corresponding methods to identify training needs.

Other means for identifying training needs by respondents are reportedly:

- Structured training needs survey,
- Skills inventory data,
- Analysis of changes in business strategies and direction,
- Succession and career plans,
- "TNA" (a type of job evaluation method), and
- "automatic nomination through the Company's executive development program."

4. Evaluation of Training

"To be effective and to be seen effective by their environment is a fundamental aspiration of professional institutions." However, in the case of MTD, measuring effectiveness seems to be sound and possible in theory. This is because many people think that measurement of effectiveness must be in quantitative terms. However, an acceptable and more realistical way is to measure impact of MTD work on the company in qualitative terms and in various angles.

Forty-two (71.2%) of the organizations participated in this survey reported that they evaluate their training systematically. Two indicate that they do so only for some but not all management training programs. At first sight, this high percentage should be encouraging. However, a closer look at the methods used by the respondents (Table 18) reveals that the majority of them only use post-course reactions questionnaire. According to Kirkpatrick, evaluation of training can be carried out at four levels: Reactions, Learning, Behaviour and Results. (Kirkpatrick, D. "Evaluation of Training", Training and Development Handbook). The reactions questionnaire hence only represents the most immediate and "superficial", though important part of training effectiveness. Approaches down the list which intend to measure

effectiveness at the behavior and results levels are used by less than half of the respondents. The probable reason is the high investment of time on the part of both MTD staff and line staff.

The extent to which various methods are used by those who evaluate their management training is tabulated in Table 18.

TABLE 18

Methods of Evaluating Management Training

	Fre- <u>quency</u>	Per- <u>centage</u>
Post-course reactions questionnaire	42	71.2
Interview Superiors some months later	29	49.2
Interview Participants some months later	29	49.2
Follow-up questionnaires to superiors	16	27.1
Follow-up questionnaires to participants	15	25.4

When the respondents are classified according to their type of ownership, it is found that private Hong Kong companies give the lowest percentage of the number of those which evaluate management training system. Subsidiaries/associates on the other hand, represent the highest. Three possible factors may lead to this phenomenon:

- (a) the staff size of the set-up
- (b) the size of the MTD team
- (c) the degree of sophistication in terms of thinking on the MTD function.

MANAGEMENT TRAINING PROGRAMS

1. Types of Programs

The number of responding organizations providing the various types of management training internally and by external resources are tabulated in Table 19.

TABLE 19

CURRENT MANAGEMENT TRAINING PROGRAMS ORGANIZED BY RESPONDING ORGANIZATIONS

<u>Program</u>	<u>Internal</u> <u>Frequency (%)</u>	<u>External</u> <u>Frequency (%)</u>
General Management	39 (66.1)	39 (66.1)
Performance Appraisal	47 (79.7)	11 (18.6)
Finance Management	22 (37.3)	29 (49.2)
Marketing Management	18 (30.5)	29 (49.2)
Prob.-Solving/Dec.-Making	38 (64.4)	25 (42.2)
Coaching	38 (64.4)	14 (23.7)
Leadership & Team-Building	42 (71.2)	24 (40.7)
Computer Appreciation	38 (64.4)	23 (39.0)
Public Speaking	22 (37.3)	25 (42.2)
Project Management	14 (23.7)	29 (49.2)
Time Management	29 (49.2)	26 (44.1)
Training Techniques	38 (64.4)	23 (39.0)
Business Planning	20 (33.9)	28 (47.5)
Conflict Management	17 (28.8)	23 (39.0)
Written Communication	28 (47.5)	32 (54.2)
Oral Communication	31 (52.5)	24 (40.7)

As seen in Table 19, the most common management training program organized internally is the Performance Appraisal, followed by Leadership and Team Building and then General Management. Since in any organizations, the performance appraisal system is uniquely and specially designed to fit the management's value, rationale and purpose, training on how to use it must be done in-house. This is supported by the great difference in percentage of respondents using internal versus external programs on this subject.

As for external programs, the highest percentage lies with those on general management. This is very logical since programs on this subject is by virtue of its name and purpose general in nature. Hence it is reasonably acceptable even if the class consists of managers coming from various organizations. Therefore, sending managers to external programs of this subject forms a common practice. In some cases, the use of external public programs is even intentional to give the participant managers exposures to people of other walks of life.

2. Priority Skills for Management in the Coming 12 Months

The priority skills for managers in the coming year in the responding organizations were reportedly (in order of frequency):

TABLE 20
PRIORITY SKILLS FOR MANAGERS

<u>Skill</u>	<u>No. of Respondents</u>
Leadership/Team-Building/Group Dynamics	16
Problem-Solving/Decision-Making	16
Marketing Management	12
People Management/Interpersonal Skills	10
Time Management	9
General Management Concepts and Skills	9
Financial Management/Cost Budgeting	8
Communication	8
Management of Change	7
Strategic Planning/Business Planning	6
Computer Management System	6
Performance Appraisal/Giving Feedback	6
Coaching and Counselling	5
Train the Trainers/Group Training	4
Target Setting	4

Other skills mentioned were: Project Management, Supervisory Management, Conflict Management, Negotiation, Creativity Development, Management for Results/Productivity Improvement, Personnel Management (for line managers),

Sales Training, Customer Service, Industrial Knowledge, Language, Product Knowledge/Operational Skills, Potential Assessment, Orientation of the Corporation, Self-Development, Motivation, and Presentation.

As seen in Table 20, the two skills that are being put as priorities of managers to acquire in the coming 12 months are Leadership/Team-Building/Group Dynamics and Problem-Solving and Decision-Making. In view of the increasingly complex world in which business executives live and function, it is true that they need to work closely with other members of the work team who will then share resources and information with each other and to function as a unit with flexibility. As the boss, a manager also needs to lead his or her staff to do the same. At the same time, they have to face more and more complex problems in their daily work and to make decisions in higher degree of uncertainty in view of the rapid change of the environment. In addition, they are required to be innovative and creative in order to allow their organizations to stay competitive. They therefore need to acquire skills in both leadership/team-building and problem-solving/decision-making.

One could also see in this study that training in Marketing Management and Financial Management which was the fad a few

years ago is becoming "outs" now. People-management and Interpersonal Skills continue to retain its importance in view of the complex and volatility of human behavior, and the vital notion of utilization of human resources as a key to success. Time management has gained much more attention probably because of the increasingly multi-facet nature of the manager's job, or maybe of the aggressive promotion of an internationally well-known Time Manager kit in the market.

CHAPTER VII

CONCLUSION AND RECOMMENDATIONS

It is no doubt that the complex and fast changing environment in Hong Kong indeed poses much challenges to organizations and in turn to MTD practitioners. Looking at the result of this survey, the writer believes that local practices in this the MTD profession seem to be on the right track. From various angles, they are by no means less effective or advance than that in other developed countries.

In this chapter, the writer highlights areas which show encouraging signs, and those which require more attention and effort in order for the MTD function to be more effective. The final part devotes to a discussion of the areas which worth further research and study.

Result of this study shows that the MTD professionals seem to be doing fine in the following areas:

1. In terms of organization and position, the MTD function in the local sector seems to have achieved quite a

desirable result. MTD personnel are placed high enough in the organization to give them the standing and authority to deal with their work and clients. As for the size, there is no obvious sign that the MTD is not adequate in terms of quantity. Regarding the structure, even where it is not given a separate identify to stand out as an independent entity, it is being put under very relevant function such as Human Resources Management.

2. There is a positive sign that organizations will continue to increase their investment in training and developing their managers. The number of organizations which undertake to sponsor managers on external management development programs such as the MBA and DMS is much higher than the writer imagined.

3. MTD practitioners seem to be working very closely with line management. No doubt this is one of the elements which render the function to be successful. The close collaboration takes various forms including jointly holding the MTD budget and line involvement in conducting management training programs.

4. It is clear that MTD professionals in Hong Kong are making very good use of various management development methods including job rotation, project groups and special

assignments. In this aspect, they are highly comparable to their counterparts in other developed countries. This is an indication that MTD professionals in the local sector have already out-grown the old thinking that management training is the only or core part of management development. In addition, the high rate of adopting mentoring as a technique in developing managers could be a surprise to many.

5. The top skills of the priority list given by respondents in this survey indicate that MTD professional in Hong Kong have realized the important skills which enable managers to face their challenging environment. Leadership and Team-building skills for instance help enable managers to make better use of the human resources in their work teams. This could hence increase the flexibility of their units in facing internal and external environmental changes. Problem-solving and Decision-making which is second on the list, enables managers to tackle complex problems and make faster decisions under today's uncertain environment. Comparing the list obtained in this survey with those in other developed countries leads the writer to believe that MTD practitioners of Hong Kong have geared themselves to the direction in terms of priority in the provision of management training in their organizations. They no longer focus on the relatively static aspects such as operational and product skills.

On the other hand, result of this survey points to the fact that the following areas need more effort on the part of the MTD professionals:

1. The general perception as can be seen from this survey is that the responsibility of training and developing managers lies jointly between line management and MTD professionals. While this is a fair concept, it is important to remember that "all development is self-development." This means that individual managers should have the ultimate and basic responsibility of developing themselves. Perhaps the priority of MTD practitioners is to lead individual managers to realize the importance and ways of self-development.

2. MTD personnel should also strive to get more involvement in other related functions such as performance appraisal, succession planning and manpower planning which are closely related to the function itself. Result of this survey indicate that while performance appraisal is being widely used as a means of identifying training needs, most MTD personnel do not have a say in the design of the appraisal system and policy.

3. MTD practitioners should also strive to set up and articulate a policy on the function in their organizations. Although it is true that remaining informal

sometimes helps create a relaxed work relationship, the existence of a policy-statement reduces confusion and provides clear guidelines in decisions by various parties. It also helps improve communication between management and staff of various levels.

4. Although it is true that evaluation of management training is extremely difficult and time-consuming, it is an important part of any complex MTD program. Whilst it is often impossible to evaluate management training in quantitatively terms, MTD professional should seek creative ways of assessing their work in qualitative aspects from various angles. The major question which should be considered in such a process is: what impact do the MTD programs have on the organization. Based on the writer's own experience in the profession, evaluation of training programs also has a valuable by-product which is the establishment of closer link with line management. Often it opens up new opportunities to apply concepts/techniques other than formal classroom training to help line people. From this survey, it is found out that not many organizations carry out management training evaluation beyond the reactions level. It is hoped that MTD professionals would pay more effort and patience in exploring this fascinating part of MTD.

Owing to the limited of time and resources, this survey is only done on a small scale covering only 59 organizations. It is the writer's hope that this could form a starting point for those parties who take an interest in studies about this profession. Further research and studies could take this paper as a reference and should strive either for a larger-scale survey or a more in-depth one. If the latter is taken up, it is desirable for the person(s) to use the interviewing method to obtain more detailed information. This method also allows face-to-face clarification. The qualitative aspect of MTD practices, such as difficulties encountered by the respondents, techniques used to overcome such difficulties, etc., could well form the subject of interesting research in the future.

A SURVEY OF MANAGEMENT DEVELOPMENT PRACTICES IN HONG KONG

1. What is the total number of employees in your organisation?

Less than 100	<input type="checkbox"/>	101 - 200	<input type="checkbox"/>
201 - 500	<input type="checkbox"/>	501 - 1000	<input type="checkbox"/>
1001 - 3000	<input type="checkbox"/>	More than 3000	<input type="checkbox"/>

2. Your organisation is :

A public-quoted Hong Kong Company
A private Hong Kong company
A subsidiary/associate of a PRC company
A subsidiary/associate of a UK company
A subsidiary/associate of a US company
Other (please specify) _____

☐
☐
☐
☐
☐

3. What is the nature of business of your organisation?

Holding company
Construction
Manufacturing
Retail/Wholesale
Banking, finance, insurance
Hotel/Tourism
Professional services
Computer/Computer services
Public utility
Other (please state) _____

☐
☐
☐
☐
☐
☐
☐
☐
☐

4. In your organization, how many employees are engaged full-time in management training and development? (Do not include typing, secretarial or other support staff.)

1	<input type="checkbox"/>	2	<input type="checkbox"/>
3 - 4	<input type="checkbox"/>	5 - 8	<input type="checkbox"/>
more than 8	<input type="checkbox"/>	none	<input type="checkbox"/>

5. In your organisation, what is the job title of the most senior person directly in charge of the management training and development function?

To whom does this person report? (Please give job title)

6. Is management training in your company seen as primarily

A line management responsibility ?
A personnel/training department responsibility ?
A joint responsibility between line management and the personnel/training department?

☐
☐
☐

(0025i)

- 1 -

7. How often do any of the following conduct training courses?

	Never	Occasionally	Frequently
Line managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External trainers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Is the Management Training and Development department or person(s) also responsible for or involved in formulating policies on:

	Yes	No
Performance appraisal ?	<input type="checkbox"/>	<input type="checkbox"/>
Succession planning ?	<input type="checkbox"/>	<input type="checkbox"/>
Manpower planning	<input type="checkbox"/>	<input type="checkbox"/>

9. Who is responsible for spending the management training and development budget?

Head of the Management Training & Development department ☐
Line/Functional managers alone ☐

Other (please specify) _____

10. What is the total annual budget currently available for management training and development activities?

None ☐
Below HK\$100,000 ☐
HK\$100,000 - 400,000 ☐
HK\$400,001 - 700,000 ☐
HK\$700,001 - 1,000,000 ☐
HK\$1,000,001 - 2,000,000 ☐
Over HK\$2,000,000 ☐

Please indicate if the above-stated budget includes the following:

	Yes	No
In-house training courses	<input type="checkbox"/>	<input type="checkbox"/>
External training courses sponsorship	<input type="checkbox"/>	<input type="checkbox"/>
Salaries of staff in the Management Training and Development department	<input type="checkbox"/>	<input type="checkbox"/>
Overhead costs of the Management Training and Development department	<input type="checkbox"/>	<input type="checkbox"/>

11. Allowing for inflation, during the last 2 years has the budget

increased ? ☐ remained steady ? ☐ decreased ? ☐

Allowing for inflation, how do you expect the total budget to change over the next 2 years?

increased ? ☐ remained steady ? ☐ decreased ? ☐

12. Are user departments charged out (by cross charge) for training undertaken by the Management Training department?

Yes ☐ No ☐

(0025i)

- 2 -

13. Do you have a written Management Training and Development policy?

Yes ☐

No ☐

14. Other than formal training programs, which of these method(s) do you use in developing your managers?

Yes No

Task force/project groups

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Job rotation

Secondment

Special Projects

Mentoring

Other (please specify) _____

15. How are Management Training needs identified in your organisation? And with what frequency are these methods used?

Never Occasionally Frequently

Based on the regular performance appraisal

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

Ad hoc assessment by training staff

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

Requests by Line Management

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

Internal publication of available courses and subsequent nomination of individual managers

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

Other (please specify) _____

16. In which of the following areas does your organisation provide training to managers either by internal or external courses?

Internal Training External Courses

General Management

Performance Appraisal

Finance for Non-financial Managers

Marketing for Non-marketing Managers

Problem Solving/Decision Making

Coaching

Leadership & Team Building

Computer Appreciation

Public Speaking

Project Management

Time Management

Training Techniques

Business Planning

Conflict Management

Written Communication

Oral Communication

Other (please specify) _____

17. Please specify and rank the top three priority skills for managers in your organisation in the next 12 months (either listed above or additional)

1.	_____
2.	_____
3.	_____

18. Does your organisation sponsor managers on the following courses?

Yes No

MBA

Diploma in Management Studies

<input type="checkbox"/>	<input type="checkbox"/>
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Other (please specify) _____

19. Do you systematically evaluate your management training?

Yes ☐

No ☐

20. If yes, which of the following method(s) do you use?

a. Post-course reactions questionnaire completed by participants

☐

b. Interview with participants' superior some time after course

☐

c. Follow-up interview with participants several months later

☐

d. Follow-up questionnaire to participants' superior several months later

☐

e. Follow-up questionnaires to participants several months later

☐

Other (please specify) _____

Thank you very much for your time and effort in completing this questionnaire. Now please send it back to:

Mrs. Joanna Ng
c/o Management Development Division
Hong Kong Telephone Company Limited
Training & Development Centre
70 Wan Hon Street
Kwun Tong, Kowloon.

A SURVEY ON THE MANAGEMENT DEVELOPMENT PRACTICES
IN LARGE ORGANIZATIONS IN HONG KONG

Please send me a copy of the summary of findings.

Name : _____

Company : _____

Address : _____

February 10, 1987

Dear

A SURVEY ON THE MANAGEMENT DEVELOPMENT PRACTICES
IN LARGE ORGANIZATIONS IN HONG KONG

I write to invite your participation in a survey on "The Management Development Practices in Large Organizations in Hong Kong".

Being a third-year student of the Three-Year Part-time MBA Program of The Chinese University of Hong Kong, I am required to conduct a survey of business or professional interest. As a management development practitioner, I have chosen the above as my research topic.

The aim of my survey is to examine current management development practices in large organisations in Hong Kong. The findings will be analysed in an attempt to determine the effectiveness of the function. The information could also form the basis for future studies to determine major trends within the profession.

Please complete and return the attached questionnaire using the enclosed envelope on or before February 27, 1987. If you would like to have a copy of the summary of findings, please also return the attached slip together with the questionnaire. The data will only be reported on a collectively basis. In other words, information on the practices of individual companies will be kept confidential.

If you have any queries, please do not hesitate to call me at 5-288998. Thank you very much for your assistance.

Yours sincerely,

NG LEE Sau-lai Joanna

Attachments

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